

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended March 31, 2014 and the Latest Twelve Months

Q1 | 14

QUARTERLY VIEWPOINT:

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Market Leader for Mid-Market Technology M&A:

This Quarterly ViewPoint covers trends, public valuation multiples and relevant M&A activity for the software and services sectors. To illustrate general capital market and M&A trends within these sectors, DecisionPoint has selected a group of representative public comparables and transactions. This data is provided for informational purposes only. All data represents publicly available information.

DecisionPoint is a unique leader in M&A advisory services for middle-market technology companies and their venture capital investors in the software, services, cleantech, biotech, and healthcare IT sectors.



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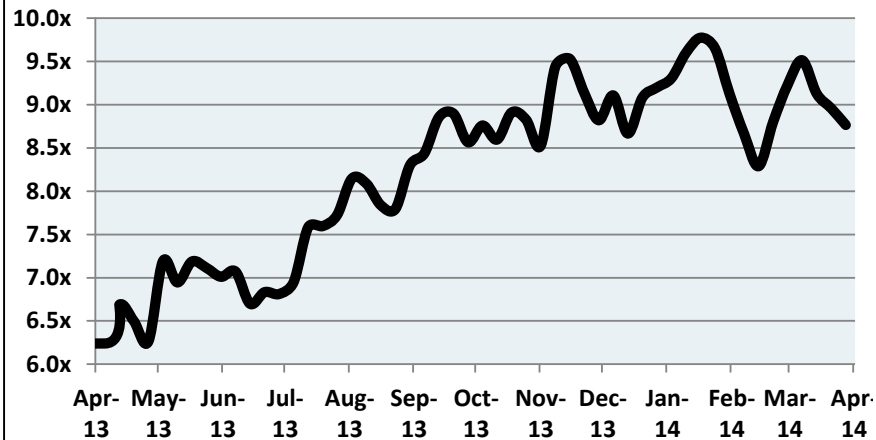
Software: Software as a Service (SaaS)

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple

Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Salesforce.com, Inc	\$55.75	\$34,013.1	\$35,682.9	8.8x	NM
Red Hat, Inc.	\$52.23	\$9,899.6	\$8,917.4	5.8x	28.9x
NetSuite Inc.	\$92.44	\$6,983.7	\$6,798.1	16.4x	NM
athenahealth, Inc.	\$159.39	\$5,958.2	\$6,117.3	10.3x	NM
Concur Technologies, Inc.	\$96.96	\$5,490.9	\$5,299.6	9.0x	NM
The Ultimate Software	\$132.28	\$3,743.1	\$3,662.7	8.9x	62.3x
Medidata Solutions, Inc.	\$52.63	\$2,851.0	\$2,839.6	10.3x	89.1x
Dealertrack Technologies,	\$49.28	\$2,605.6	\$2,642.9	5.5x	41.6x
Cornerstone OnDemand,	\$46.39	\$2,449.4	\$2,359.9	12.7x	NM
Demandware, Inc.	\$62.28	\$2,203.9	\$1,928.6	18.6x	NM
OpenTable, Inc.	\$77.29	\$1,812.4	\$1,697.8	8.9x	29.2x
RealPage, Inc.	\$17.87	\$1,396.1	\$1,363.0	3.6x	25.1x
Evertz Technologies Ltd.	\$15.25	\$1,133.0	\$1,030.1	3.8x	14.7x
Ellie Mae, Inc.	\$27.65	\$771.8	\$693.1	5.4x	27.6x
Constant Contact, Inc.	\$23.92	\$748.5	\$625.3	2.2x	23.4x
LivePerson Inc.	\$11.74	\$642.4	\$550.5	3.1x	88.0x
Ebix Inc.	\$16.67	\$639.6	\$639.0	3.1x	8.4x
Median:	\$52.23	\$2,449.4	\$2,359.9	8.8x	28.9x

SECTOR HIGHLIGHTS

- The median SaaS index was trading at 8.8x revenue (based on Enterprise Value) at the closing of Q1.
- SaaS is having a major impact on both buying habits and spending totals, according to Gartner. For the first time, a pure SaaS vendor cracked the list of top 10 software companies by revenue, with the arrival of Salesforce.com in 10th place, with \$3.8 billion in sales. In addition, Salesforce.com is now among the industry's five largest application software vendors.
- The SaaS business has exploded over the last five years and the huge growth trajectory of the industry is expected to continue. While big-cap tech companies are active in the business like Oracle Corporation and Hewlett-Packard, it is the smaller niche players that have demonstrated the outstanding growth rates and dominated their specific areas.
- According to a recent IDG survey, IT leaders at organizations with over 1,000 employees indicated that they have at least one application or a portion of their organization's IT infrastructure in the cloud. These executives also noted that about 26% of their enterprise information currently resides in a private cloud, and, despite their security concerns, they expect that percentage to grow to about 32% in the next 18 months.
- SaaS M&A transactions grew 25% in 2013 and the median SaaS exit multiple was more than double that paid for traditional, on-premise software targets.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

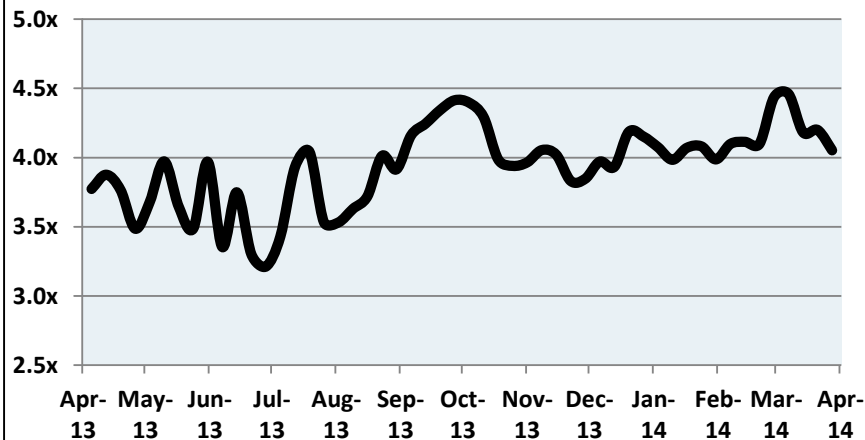
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-25	Golden Gate Capital	LiveVox, Inc.	85.0
2014-03-18	Thoma Bravo LLC	TravelClick Inc.	930.0
2014-03-13	Nexstar Broadcasting Group, Inc.	Internet Broadcasting Systems Inc.	20.0
2014-03-03	Corporate Executive Board, The	KnowledgeAdvisors, Inc.	52.0
2014-02-11	Corporate Executive Board, The	Talent Neuron	8.0
2014-02-04	Xoom Corporation	BlueKite	15.1
2014-01-29	TiVo, Inc.	DigitalSmiths Corp.	135.0
2014-01-23	Demandware, Inc.	Mainstreet Commerce	19.4
2014-01-22	ServiceSource International, Inc.	Scout Analytics, Inc.	32.0
2014-01-16	Equifax Inc.	TDX Group Limited	327.0
2014-01-06	Brightcove, Inc.	Unicorn Media (assets)	49.0

Software: Internet Software and Services

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Internet Software & Services EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Google Inc.	\$560.08	\$377,092.5	\$326,177.5	5.5x	18.1x
Amazon.com Inc.	\$338.29	\$155,364.8	\$149,053.8	2.0x	42.9x
Facebook, Inc.	\$60.01	\$153,010.1	\$142,037.1	18.0x	36.1x
eBay Inc.	\$55.19	\$69,928.0	\$65,026.0	4.1x	13.6x
The Priceline Group Inc.	\$1,192.01	\$62,153.8	\$57,303.6	8.4x	22.4x
Yahoo! Inc.	\$35.90	\$36,237.2	\$34,032.6	7.3x	17.7x
LinkedIn Corporation	\$190.59	\$23,030.8	\$20,706.5	13.5x	NM
Netflix, Inc.	\$358.87	\$21,463.0	\$20,793.2	4.8x	NM
IAC/InterActiveCorp	\$71.55	\$5,882.6	\$5,941.7	2.0x	11.0x
Pandora Media, Inc.	\$29.55	\$5,833.8	\$5,489.4	8.4x	NM
Groupon, Inc.	\$7.85	\$5,363.4	\$4,130.3	1.6x	29.5x
AOL Inc.	\$42.80	\$3,400.6	\$3,315.3	1.4x	7.6x
Conversant, Inc.	\$27.61	\$1,859.4	\$1,918.0	3.3x	9.3x
OpenTable, Inc.	\$77.29	\$1,812.4	\$1,697.8	8.9x	29.2x
WebMD Health Corp.	\$41.64	\$1,607.3	\$1,734.7	3.4x	23.6x
Vistaprint N.V.	\$48.09	\$1,598.0	\$1,740.2	1.4x	12.9x
RealNetworks Inc.	\$7.61	\$272.7	\$46.6	0.2x	NM
Median:	\$55.19	\$5,882.6	\$5,941.7	4.1x	18.1x

SECTOR HIGHLIGHTS

- The median Internet Software & Services index was trading at 4.1x revenue (based on Enterprise Value) at the closing of Q1.
- Facebook's \$2 billion acquisition of Oculus VR, developer of the Rift headset that has reset expectations of virtual reality, represents the third in a number of big-ticket pickups by the hugely popular social network, following its Instagram and WhatsApp deals. It is also Facebook's first move into hardware.
- As technology companies look to disrupt the traditional model of video delivery through cable companies, original programming continues to be the hot target, with Yahoo and Microsoft the latest large tech companies reportedly looking to expand their offerings of proprietary television programs just like Netflix and Amazon.
- Global investors are eagerly awaiting Alibabas's US IPO. Alibaba is the world's largest e-commerce company and its IPO could benefit US brands that are concerned about online counterfeit products and intellectual property issues. As Alibaba goes public in the US, the company will inevitably need to deal with the regulations regarding intellectual property protection and meet a higher standard in the US.
- A class-action lawsuit from tech sector employees against employers including Apple and Google seeks some \$9 billion in lost wages. The class-action lawsuit progresses as strong evidence has emerged revealing that Apple, Google and others privately agreed to not recruit one another's employees and to keep employee wages down through anti-poaching agreements.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

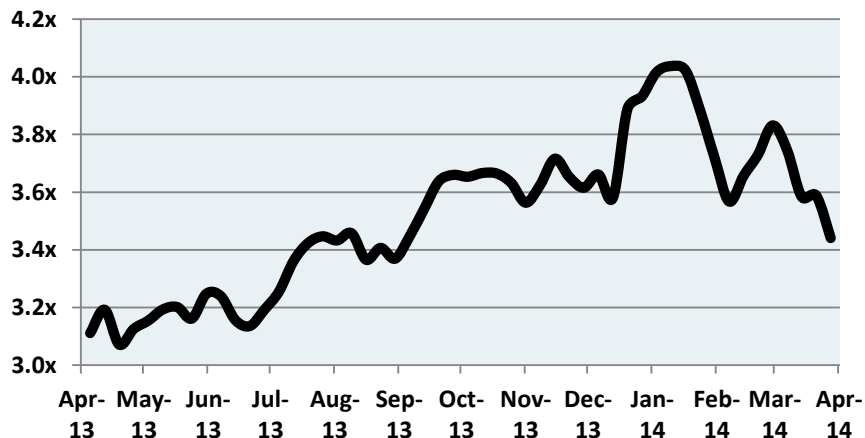
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-24	Walt Disney Company, The	Maker Studios, Inc.	500.0
2014-03-17	Giant Investment Limited	Giant Interactive Group Inc.	989.9
2014-03-11	Gartner Inc.	Software Advice, Inc.	115.0
2014-03-03	CoStar Group, Inc.	Apartments.com	585.0
2014-02-27	Essilor International SA	Coastal Contacts, Inc.	370.7
2014-02-06	LinkedIn Corporation	Bright Media Corporation, Inc.	120.0
2014-02-06	Conversant [fka ValueClick, Inc.]	SET Media, Inc.	26.0
2014-01-14	Verisk Analytics, Inc.	EagleView Technologies Corporation	650.0
2013-10-24	Shutterfly, Inc.	BorrowLenses	35.8

Software: Enterprise Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Enterprise Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft Corporation	\$40.30	\$334,519.2	\$275,222.2	3.3x	8.6x
IBM	\$190.45	\$198,323.4	\$227,125.4	2.3x	9.1x
Oracle Corporation	\$39.57	\$176,438.1	\$163,918.1	4.3x	9.9x
SAP AG	\$80.37	\$95,938.2	\$97,987.0	4.2x	12.4x
Dassault Systemes SA	\$117.79	\$14,567.3	\$12,628.3	4.4x	14.3x
Autodesk, Inc.	\$48.34	\$10,982.1	\$9,461.4	4.2x	22.2x
Amdocs Limited	\$45.78	\$7,307.3	\$6,095.8	1.8x	9.7x
Ansys, Inc.	\$76.13	\$7,045.0	\$6,302.1	7.3x	15.6x
Stratasys Ltd.	\$104.43	\$5,144.1	\$4,529.7	9.4x	NM
Constellation Software	\$238.98	\$5,064.3	\$5,446.6	4.7x	36.5x
PTC Inc.	\$34.84	\$4,135.6	\$4,132.4	3.2x	14.3x
Informatica Corporation	\$37.31	\$4,074.7	\$3,397.3	3.6x	20.7x
MICROS Systems, Inc.	\$52.23	\$3,930.2	\$3,306.2	2.5x	12.9x
TIBCO Software Inc.	\$20.04	\$3,242.9	\$3,026.8	2.8x	15.0x
Tyler Technologies, Inc.	\$82.77	\$2,725.2	\$2,646.3	6.4x	33.6x
Manhattan Associates, Inc.	\$34.67	\$2,638.3	\$2,505.3	6.0x	23.4x
NICE Systems Ltd.	\$43.76	\$2,614.4	\$2,308.0	2.5x	13.7x
Verint Systems Inc.	\$40.69	\$2,175.1	\$2,711.0	3.1x	15.0x
Blackbaud Inc.	\$30.64	\$1,382.0	\$1,523.4	3.0x	15.1x
QAD Inc.	\$20.19	\$317.3	\$247.8	0.9x	24.5x
Median:	\$44.77	\$4,600.0	\$4,331.0	3.4x	15.0x

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 3.4x revenue (based on Enterprise Value) at the closing of Q1.
- Gartner's Q1 2014 forecast shows that 2014 global spending for enterprise software will be \$324 billion, with growth of 6.9% over 2013. This is being driven by strength in supply chain management, CRM and database management systems.
- The software industry is in the middle of a “multi-year cyclical transition” as organizations are focusing investment on technologies to support existing system structure. Software giants can maintain competitiveness, while still taking advantage of cloud/subscription-based pricing where it makes sense to grow and advance the business.
- There is a secular change in buying patterns for enterprise software, shifting from a layered, bottom-up approach, typically followed by IT, to a top-down, results-driven approach. In this model, there is more focus on what needs to be accomplished and less focus on how the software gets implemented, or in other words, the infrastructure is being built around the application it supports and not the other way around.
- SAP just announced its flagship Business Suite applications will be available via the cloud as a subscription. The move is part of SAP's effort to transition on-premise customers to the cloud. Rival Oracle already offers its applications as a subscription and SAP competes with cloud players such as NetSuite, Salesforce and Workday, to name a few.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

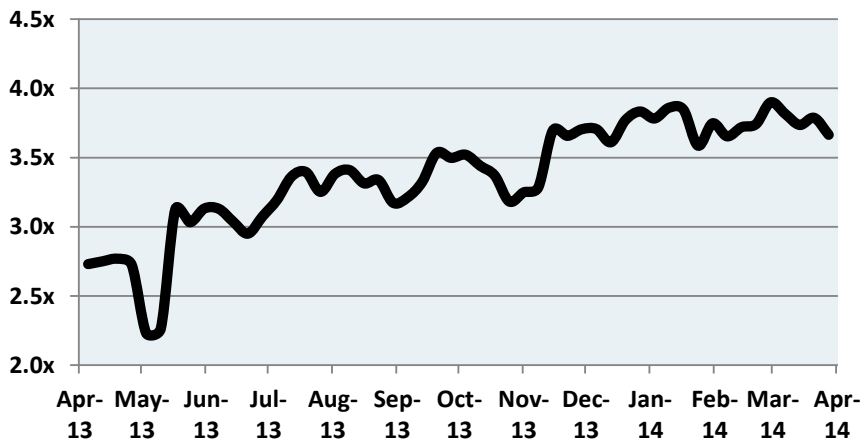
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-28	Camelot Employee Scheme, Inc	Camelot Information Systems, Inc	62.6
2014-03-13	Hellman & Friedman LLC	Renaissance Learning Inc.	1,100.0
2014-02-20	Banco Bilbao Vizcaya Argentaria	Simple Finance Technology Corp.	117.0
2014-02-06	First American Financial Corp.	Interthinx, Inc.	155.0
2014-01-30	Dassault Systemes	Accelrys Inc.	646.6
2014-01-21	GE Healthcare	API Healthcare Corp.	350.0
2014-01-16	SintecMedia	Pilat Media Ltd.	80.3
2014-01-06	Verint Systems Inc.	KANA Software, Inc.	514.0

Software: Business Intelligence Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP BI Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Tableau Software, Inc.	\$76.20	\$4,859.5	\$4,606.9	19.8x	NM
Informatica Corporation	\$37.31	\$4,074.7	\$3,397.3	3.6x	20.7x
Qlik Technologies, Inc.	\$26.03	\$2,319.7	\$2,092.0	4.4x	NM
Pegasystems Inc.	\$17.29	\$1,320.3	\$1,163.6	2.3x	14.3x
MicroStrategy Inc.	\$113.50	\$1,282.7	\$925.3	1.6x	22.9x
PROS Holdings, Inc.	\$31.01	\$905.1	\$860.4	5.9x	NM
Accelrys Inc.	\$12.46	\$694.8	\$631.2	3.7x	NM
Actuate Corporation	\$5.82	\$274.0	\$195.0	1.4x	14.2x
Median:	\$28.52	\$1,301.5	\$1,044.4	3.7x	17.5x

SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 3.7x revenue (based on Enterprise Value) at the closing of Q1.
- The market for business intelligence (BI) is one of the fastest-growing software markets. The industry is growing at nearly 7% annually, and is expected to reach over \$17 billion by 2016.
- By 2015, enterprise buyers of BI platforms will predominantly purchase platforms that support both strong and broad business-user-accessible data discovery capabilities and IT-driven enterprise features for data reuse, governance, security and scalability.
- By 2016, 25% of net-new BI and analytics platform deployments will be in the form of subscriptions to cloud services. This is a significant shift, indicating that 2014 may be a tipping point for cloud adoption as data gravity shifts to the cloud. While most BI vendors now have a cloud strategy, many leaders of BI and analytic initiatives do not have a strategy for how to combine and integrate cloud services.
- Over the past few years many companies have implemented BI platforms, most of which are purchased by IT departments. These BI systems tend to be highly centralized, with reports produced by the IT department pushed out to a range of analysts and more general users. Because of this, many BI platforms are underused and have ultimately proved to be a poor investment.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

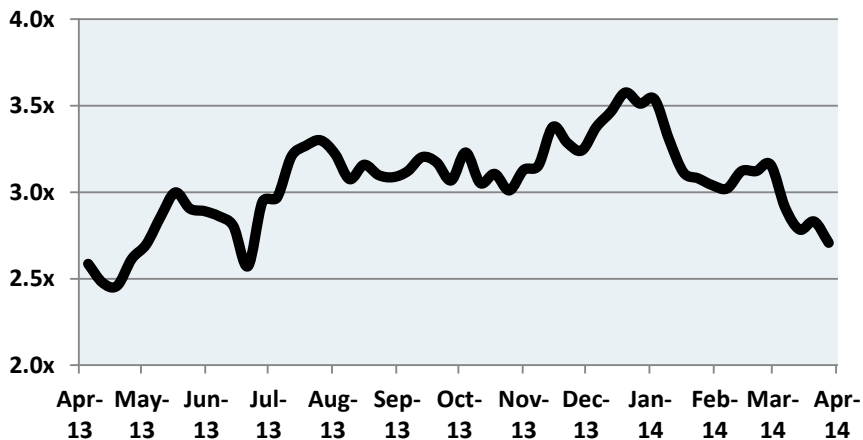
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-28	Sun Capital Partners, Inc.	Aclara Technologies	-
2014-03-27	Lithium Technologies Inc.	Klout, Inc.	-
2014-03-14	Fair Isaac Corporation	InfoCentricity, Inc.	-
2014-02-24	Vook Inc.	Booklr	-
2014-02-18	Blueocean Market Intelligence	Cognicient	-
2014-01-23	Comvest Partners	Adayana, Inc.	-
2014-01-22	ServiceSource International, Inc.	Scout Analytics, Inc.	32.0
2014-01-21	Callcredit Information Group	Coactiva	-
2014-01-13	SNL Financial LC	iPartners LLC	-
2014-01-10	Infogix	Agilis International, Inc.	-
2014-01-08	Evidera	Archimedes Inc.	-
2014-01-07	Decision Resources, LLC	Relay Technology Management	-

Software: Infrastructure Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Infrastructure Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
EMC Corporation	\$27.48	\$55,712.9	\$53,692.9	2.3x	10.1x
Symantec Corporation	\$19.79	\$13,685.9	\$11,889.9	1.7x	6.1x
Check Point Software	\$66.19	\$12,728.3	\$11,561.5	8.3x	15.0x
Citrix Systems, Inc.	\$57.47	\$10,560.3	\$9,825.6	3.4x	15.1x
Red Hat, Inc.	\$52.23	\$9,899.6	\$8,917.4	5.8x	28.9x
F5 Networks, Inc.	\$105.14	\$7,118.3	\$6,540.1	4.3x	13.9x
Trend Micro Inc.	\$31.00	\$4,180.3	\$2,814.3	2.7x	7.9x
SolarWinds, Inc.	\$41.85	\$3,144.4	\$2,999.1	8.9x	21.5x
CommVault Systems, Inc.	\$64.48	\$3,062.5	\$2,562.0	4.5x	24.8x
Progress Software	\$21.09	\$1,087.8	\$839.8	2.6x	9.1x
Radware Ltd.	\$17.37	\$778.5	\$643.7	3.3x	23.5x
Allot Communications	\$13.21	\$435.9	\$314.3	3.3x	NM
Magic Software	\$7.95	\$350.8	\$321.9	2.2x	11.6x
Guidance Software, Inc.	\$11.01	\$318.9	\$299.2	2.7x	NM
VASCO Data Security	\$7.82	\$306.5	\$207.9	1.3x	12.7x
Geeknet, Inc.	\$14.00	\$93.2	\$40.1	0.3x	35.9x
BSQUARE Corp.	\$3.15	\$35.9	\$15.1	0.2x	NM
Median:	\$21.09	\$3,062.5	\$2,562.0	2.7x	14.5x

SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 2.7x revenue (based on Enterprise Value) at the closing of Q1.
- The Data Center Infrastructure Management Market (DCIM) continues to grow at a much slower pace than projected. However, some industry experts believe that the market is ready for DCIM as a Service (DCIMaaS) and that it could provide a foundation for quicker DCIM growth. Today, there are not many options for DCIMaaS but it could be the key to unlocking the potential of DCIM. DCIMaaS projects to offer a high level of features, lower costs, with higher performance and availability than traditional enterprise approaches with manageable level of risk.
- Teradata, the enterprise data warehouse (EDW) company, recently announced a QueryGrid data-access layer that can orchestrate multiple modes of analysis across multiple databases plus Hadoop. It is a next step toward Gartner's vision of a logical data warehouse and an acknowledgement that the notion of the EDW has fundamentally changed.
- Cisco has had its shares struggle lately but the company is fighting back on various fronts. It recently announced an upcoming \$1 billion of new investment in building data centers that will enable cloud computing services.
- Infor is betting big on Amazon Web Services for its cloud ERP software strategy, with plans to begin offering a series of product suites on AWS. One major consideration behind the move is AWS' broad global reach, with services in 10 regions around the world. This provides better scalability and disaster recovery for Infor's software.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

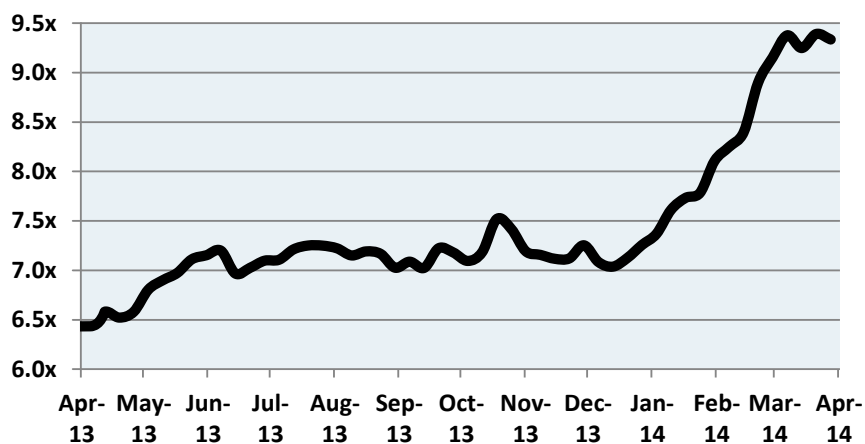
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-10	HGGC, LLC	Serena Software	310.7
2014-03-04	Hewlett-Packard Company	Shunra Software Ltd. (assets)	-
2014-02-19	Synopsys, Inc.	Coverity, Inc.	350.0
2014-02-11	Sphere 3D Corporation	V3 Systems, Inc.	9.7
2014-01-24	LX Ventures	Copper.io, Inc.	1.4
2014-01-24	Global Payments, Inc.	Payment Processing, Inc.	420.0
2014-01-08	Vanity Events Holding Inc.	Propalms, Inc.	20.1
2014-01-08	Citrix Systems Inc.	Framehawk, Inc.	27.9
2014-01-08	Marlin Equity Partners LLC	Compuware Corporation	160.0

Services: IT Services

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Services Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture plc	\$78.81	\$49,892.2	\$46,750.1	1.6x	10.6x
Cap Gemini S.A.	\$75.87	\$12,145.7	\$11,367.4	0.8x	8.7x
NTT Data Corporation	\$38.48	\$10,793.2	\$13,200.6	1.0x	6.9x
Atos S.A.	\$90.30	\$8,864.2	\$7,660.5	0.6x	6.0x
Booz Allen Hamilton	\$21.77	\$3,145.6	\$4,416.9	0.8x	7.9x
CACI International Inc.	\$73.91	\$1,734.3	\$3,090.8	0.9x	9.3x
Sopra Group	\$120.32	\$1,433.6	\$1,646.2	0.9x	9.6x
ManTech International	\$29.09	\$1,077.6	\$1,008.6	0.4x	5.9x
ICF International Inc.	\$38.89	\$769.0	\$800.0	0.8x	9.4x
Perficient Inc.	\$17.77	\$603.4	\$615.4	1.7x	13.5x
Ciber, Inc.	\$4.42	\$338.5	\$294.6	0.3x	11.4x
The Hackett Group, Inc.	\$6.01	\$183.8	\$184.6	0.9x	10.1x
NCI, Inc.	\$10.31	\$133.3	\$134.2	0.4x	6.9x
Edgewater Technology	\$7.19	\$79.6	\$59.3	0.6x	10.0x
Median:	\$33.78	\$1,255.6	\$1,327.4	0.8x	9.3x

SECTOR HIGHLIGHTS

- The median IT Services index was trading at 9.3x EBITDA (based on Enterprise Value) at the closing of Q1.
- According to Gartner, worldwide IT services is forecasted to grow at a 4.9% compound annual growth rate (CAGR) from 2014 through 2017.
- Cloud-based infrastructure as a service (IaaS) and business process as a service (BPaaS) are expected to be the two fastest-growing segments, growing at 36% and 11%, respectively, from 2013 through 2017. Hardware support and software support are among the lower-growth opportunities in the IT services market.
- In addition to new opportunities like big data and mobile, companies are expected to spend a lot on improving core systems and capabilities and to bridge old and new technology.
- Cloud-based services are cannibalizing more traditional models. This is most apparent in infrastructure outsourcing where infrastructure utility services (IUS), managed services based on IaaS technology, and cloud IaaS growth include workloads moving from more traditional data center managed services and to IUS and IaaS respectively. Hybrid IT environments will dominate client IT architectures through the next few years. This underscores the importance of skills in the old-world legacy environments, as well as the new-world as-a-service operating models.
- IT and business process service gross profitability during 2013 was about 23% as a market size weighted average across all service lines. Few service lines have high degrees of price elasticity, and fewer providers have true pricing power in the market.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

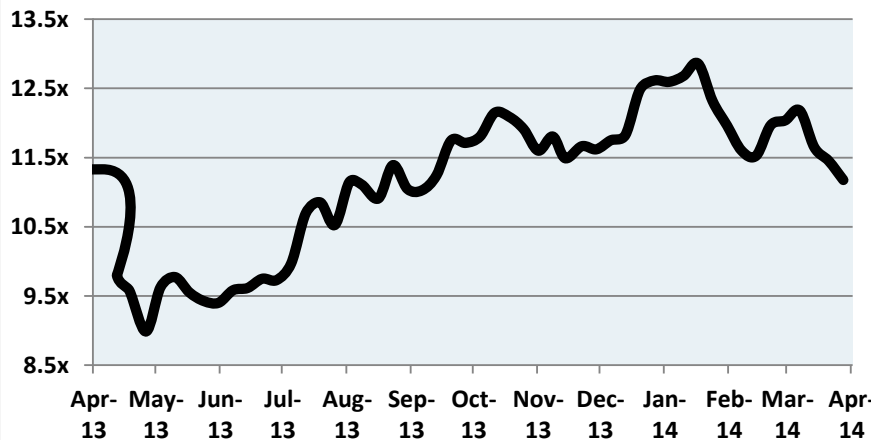
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-28	Vivendi	Groupe Telindus France	131.1
2014-03-11	Blackstone Group LP, The	Accuvant Inc.	225.0
2014-03-03	ADDvantage Technologies Group	Nave Communications Company	13.1
2014-02-18	Camber Corporation	Avaya Government Solutions	100.0
2014-02-11	Dicker Data Limited	Express Data Holdings Pty Ltd.	58.2
2014-02-11	Perficient, Inc.	ForwardThink Group, Inc.	46.0
2014-02-10	Sapient Government Services	OnPoint Consulting, Inc.	12.5
2014-01-16	Kapsch TrafficCom AG	Transdyn, Inc.	16.0
2014-01-06	Virtusa Corporation	TradeTech Consulting Scandinavia	20.0

Services: IT Outsourcing

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Outsourcing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Tata Consultancy Services	\$35.14	\$68,822.7	\$66,962.4	5.2x	17.3x
Automatic Data Processing, Inc.	\$76.95	\$37,076.5	\$35,800.2	3.0x	14.7x
Infosys Ltd.	\$54.36	\$31,063.6	\$26,693.3	3.2x	12.1x
Cognizant Technology	\$49.69	\$30,182.9	\$26,435.4	3.0x	14.2x
Wipro Ltd.	\$9.20	\$22,543.8	\$20,474.4	3.0x	13.9x
CGI Group, Inc.	\$30.68	\$9,436.1	\$12,091.2	1.3x	9.1x
Computer Sciences Corporation	\$60.29	\$8,783.8	\$9,347.8	0.7x	4.3x
DST Systems Inc.	\$93.96	\$3,956.7	\$4,261.0	1.6x	9.4x
Syntel, Inc.	\$87.91	\$3,671.1	\$3,148.2	3.8x	11.2x
iGATE Corporation	\$30.35	\$1,782.8	\$2,993.8	2.6x	11.2x
Unisys Corporation	\$28.73	\$1,469.0	\$1,325.5	0.4x	5.0x
CSG Systems International	\$25.69	\$878.8	\$933.1	1.2x	7.4x
Median:	\$42.41	\$9,109.9	\$10,719.5	2.8x	11.2x

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 11.2x EBITDA (based on Enterprise Value) at the closing of Q1.
- According to Forrester, the ITO market is forecast to grow by 5.2% in 2014. Total spending will increase by \$94.8 billion until 2018. Cloud IaaS represents more than one-third of this growth in spending. Outsourcing value propositions are increasingly oriented toward workload management, orchestration and hybrid IT management. Market readiness for these approaches is accelerating.
- Many clients are selecting service providers largely based on price. Consequently, offshore-based providers are capturing an increasingly significant share of the global ITO market, including growth in Europe. Furthering this trend, providers will direct clients to competitors with lower cost structures when it becomes apparent that the buyers' cost reduction expectations outstrip the providers' ability to profitably deliver the service.
- The increasing possibility of widespread violence and armed conflict in the aftermath of Russia's annexation of Crimea is likely to impact the large and growing IT services industry in Ukraine at least in the short term. Ukraine has a fairly large IT outsourcing industry, with more than 25,000 full-time employees. New players will wait before investing in Ukraine for IT service delivery and incumbents are expected to moderate their growth plans over the next 6 to 12 months.
- Accenture has quietly dropped the term "outsourcing" from its strategy line as the outsourcing industry has long been struggling to create a clear, meaningful identity and establish recognized career paths.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

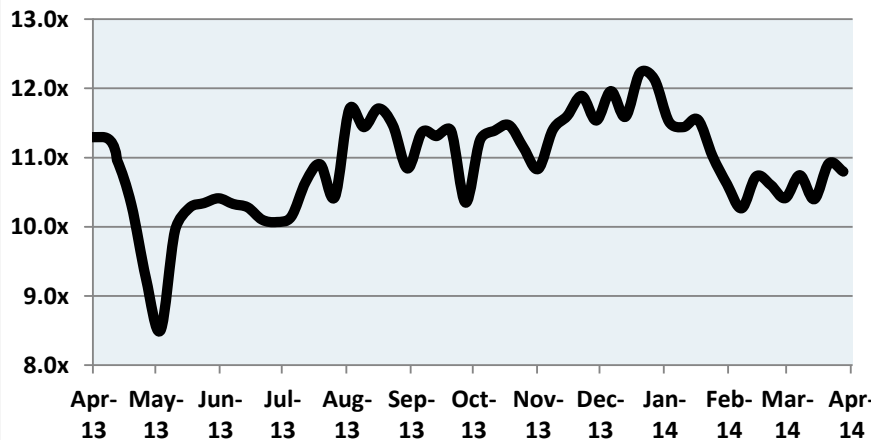
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-13	Sonda SA	CTIS Tecnologia S.A.	170.0
2014-03-03	RXP Services Limited	Insight4 Pty. Ltd.	4.8
2014-02-19	Ultra Electronics Holdings PLC	3Phoenix, Inc.	70.0
2014-01-27	KKR/Sedgwick Claims Management Services management	Sedgwick Claims Management Services, Inc.	2,400.0
2014-01-16	Aegis BPO	Symphony House Berhad	6.9
2014-01-15	GAMA Entertainment Partners, Inc.	IM3D, LLC	1.3
2014-01-06	Convergys Corporation	Stream Global Services, Inc.	820.0
2014-01-03	3D Systems, Inc.	Gentle Giant Studios, Inc.	10.7

Services: IT Staffing

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Staffing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International Inc.	\$41.20	\$5,663.6	\$5,389.3	1.3x	12.1x
On Assignment Inc.	\$36.14	\$1,951.8	\$2,314.2	1.4x	15.2x
Kforce Inc.	\$20.78	\$706.2	\$769.3	0.7x	14.5x
CDI Corp.	\$16.88	\$329.2	\$287.1	0.3x	9.0x
Computer Task Group Inc.	\$16.51	\$304.7	\$258.5	0.6x	9.8x
Hudson Global, Inc	\$3.74	\$124.5	\$87.6	0.1x	NM
RCM Technologies Inc.	\$6.59	\$82.1	\$72.7	0.4x	8.2x
Mastech Holdings, Inc.	\$13.80	\$59.3	\$58.9	0.6x	10.8x
Median:	\$16.70	\$316.9	\$272.8	0.6x	10.8x

SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 10.8x EBITDA (based on Enterprise Value) at the closing of Q1.
- The IT staffing segment is expected to grow 8% in 2014, and an additional 8% in 2015, to reach \$28.5 billion in 2015. It is expected that the acceleration of growth in the U.S. economy will drive increased demand for enterprise software projects, mobile apps and website reconfigurations, software application development, data security, and other projects that utilize IT staffing firms.
- As the speed of change in technology accelerates and shifting business demands pressure IT departments, the demand for IT staffing services is on the rise.
- According to a recent survey, 88% of IT leaders expect their spending on IT staffing services to increase or at least stay the same throughout 2014.
- The time is also ripe for IT staffing firms to bolster their direct-hire service offerings as well as buyers primarily purchasing IT skills have very ambitious plans to increase their fulltime IT workers as well.
- IT leaders now rank security and business intelligence/big data experts among the top three most difficult positions to fill.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

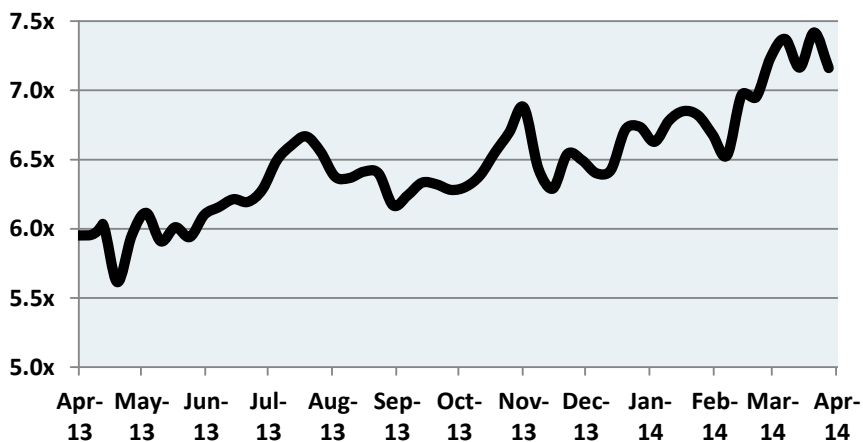
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-20	Versatile Communications, Inc.	GreenPages Technology Solutions	-
2014-03-18	Hosting.com	Ntirety, Inc.	-
2014-02-25	Alten Canada Inc.	Consultem Inc.	-
2014-02-25	SimCorp A/S	Equipos	13.7
2014-02-03	Alaska Communications Systems	TekMate, Inc.	0.8
2014-01-15	Stockell Consulting, Inc.	Aurora Systems Group, Inc.	-
2014-01-14	Aptus International Services Pty Ltd	Navagate Asia Pacific Ltd	-
2014-01-13	IPLogic, Inc.	CloudSmartz, LLC	-
2014-01-10	Planet Forward	UXFACTORY	-
2014-01-09	Global Village Consulting, Inc.	Gordon Point Informatics Ltd	-
2014-01-08	IQNavigator	ProcureStaff Technologies, Ltd.	-

Services: Value Added Resellers

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP VAR Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Avnet, Inc.	\$45.60	\$6,307.6	\$7,724.6	0.3x	7.8x
Ingram Micro Inc.	\$28.79	\$4,449.7	\$4,567.7	0.1x	6.7x
Insight Enterprises Inc.	\$24.62	\$1,022.0	\$962.3	0.2x	5.5x
ALSO Holding AG	\$56.94	\$730.0	\$854.4	0.1x	5.4x
ePlus inc.	\$54.20	\$437.1	\$534.7	0.5x	6.9x
PC Connection, Inc.	\$20.56	\$538.7	\$496.1	0.2x	7.5x
PCM, Inc.	\$9.80	\$116.6	\$232.0	0.2x	7.6x
Emtec, Inc.	\$1.00	\$17.0	\$41.7	0.2x	9.1x
Median:	\$26.71	\$634.3	\$694.6	0.2x	7.2x

SECTOR HIGHLIGHTS

- The median VAR index was trading at 7.2x EBITDA (based on Enterprise Value) at the closing of Q1.
- Microsoft brought its big data strategy into sharper focus by recently unveiling a trio of products that it says will help customers gain valuable business insight from the mountains of data they're generating.
- Channel chiefs of top vendors in the industry say the collective health of VARs is the strongest it has been in years. Some channel executives say the move toward professional services and recurring revenue models has made VARs healthier and more valuable than they have ever been.
- Ingram Micro SMB cloud partners said the distributor has hit a home run with a rollout of cloud services, partnerships and channel program additions. However, many born-in-the-cloud Ingram Micro partners are skeptics. They want details on pricing and are concerned a one-size-fits-all approach to buying, deploying and managing cloud services just will not work.
- Government-focused solution provider Sysorex Global Holdings recently held its IPO, taking the company from an over-the-counter (OTC) listing to a NASDAQ-listed company. The IPO is only the latest in the transformation of Sysorex from a small VAR to a channel powerhouse for government accounts -- a transformation that includes three acquisitions and a strategic investment in the past 12 months.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-03-27	Xtelesis Corporation	TecCon, Inc.	-
2014-03-11	Blackstone Group LP, The	Accuvant Inc. [Sverica]	225.0
2014-02-28	CANCOM SE	HPM Networks	9.0
2014-01-23	BAASS Business Solutions Inc.	SuiteSkies Inc.	-
2014-01-14	Exclusive Networks Group	Bilisimcim	-
2013-07-01	CameronTec Intressenter AB	E2E infotech	-

Our team of professionals brings a unique combination of technological, financial and operational experience to our clients and their transactions. With backgrounds and deal experience spanning Wall Street investment banks, multi-billion dollar corporations and high growth start-ups, we have an exceptional understanding of how to successfully achieve our clients' strategic initiatives.



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